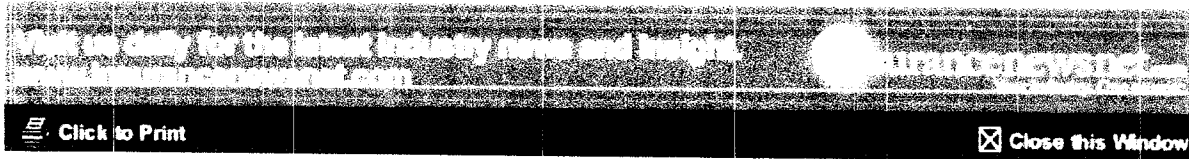


# **EXHIBIT 1**



## Former Bank of America Executive Pleads Guilty to Role in Conspiracy and Fraud Involving Investment Contracts for Municipal Bonds Proceeds

Federal Information & News Dispatch, Inc.

Former Bank of America Executive Pleads Guilty to Role in Conspiracy and Fraud Involving Investment Contracts for Municipal Bonds Proceeds

U.S. Department of Justice February 10, 2014

Office of Public Affairs (202) 514-2007/TDD (202)514-1888

A former Bank of America executive pleaded guilty today to his participation in a conspiracy and scheme to defraud related to bidding for contracts for the investment of municipal bond proceeds and other municipal finance contracts, the Department of Justice announced.

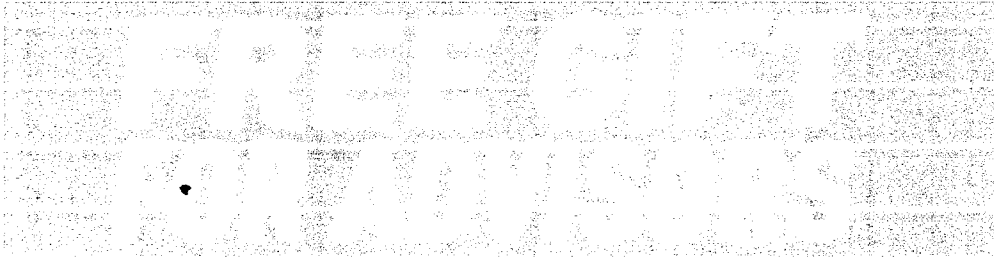
Phillip D. Murphy, the former managing director of Bank of America's municipal derivatives products desk from 1998 to 2002, pleaded guilty today before U.S. District Judge Max O. Cogburn, Jr. in the U.S. District Court for the Western District of North Carolina to participating in a fraud conspiracy and wire fraud scheme with employees of Rubin/Chambers, Dunhill Insurance Services Inc., also known as CDR Financial Products, a broker of municipal finance contracts, and others. Murphy also pleaded guilty to conspiring with others to make false entries in the reports and statements originating from his desk, which were sent to bank management.

Murphy was indicted by a grand jury on July 19, 2012. According to the indictment, Murphy participated in a wire fraud scheme and separate fraud conspiracies that began as early as 1998 and continued until 2006.

"By manipulating what was intended to be a competitive bidding process, the conspirators defrauded municipalities, public entities, and taxpayers across the country," said Brent Snyder, Deputy Assistant Attorney General of the Antitrust Division's Criminal Enforcement Program. "Today's guilty plea reaffirms the Antitrust Division's continued efforts to hold accountable those who corrupt and subvert the competitive process in our financial markets."

Public entities seek to invest money from a variety of sources, primarily the proceeds of municipal bonds that they issue, to raise money for, among other things, public projects. Public entities typically hire a broker to conduct a competitive bidding process for the award of the investment agreements and often for other municipal finance contracts.

According to the charges, Murphy conspired with CDR and others to increase the number and profitability of investment agreements and other municipal finance contracts awarded to Bank of America. Murphy won investment agreements through CDR's manipulation of the bidding process in obtaining losing bids from other providers, which is explicitly prohibited by U.S. Treasury regulations. As a result of the information, various providers won investment agreements and other municipal finance contracts at artificially determined prices. In exchange for this information, Murphy submitted intentionally losing bids for certain investment agreements and other contracts when requested and, on occasion, agreed to pay or arranged for kickbacks to be paid to CDR and other co-conspirator brokers.



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Anyone with information concerning bid rigging and related offenses in any financial markets should contact the Antitrust Division's New York Field Office at 212-335-8000, the FBI at 212-384-5000, or IRS-CI at 212-436-1761, or visit [www.justice.gov/atr/contact-newcase.htm](http://www.justice.gov/atr/contact-newcase.htm).

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